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STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington D.C. 20549

VF 4-30-03

## OMB APPROVAL

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FORM X-17A-5  
PART III

## SEC FILE NUMBER

8- 65198

## FACING PAGE

Information Required of Brokers and Dealers Pursuant to Section 17 of the  
Securities Exchange Act of 1934 and Rule 17a-5 ThereunderREPORT FOR THE PERIOD BEGINNING 06/01/2002 AND ENDING 12/31/2002  
MM/DD/YY MM/DD/YY

## A. REGISTRANT IDENTIFICATION

## NAME OF BROKER-DEALER:

Rock Capital Partners, LLC

## ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)

120 Broadway, 30th Floor

(No. and Street)

## OFFICIAL USE ONLY

FIRM ID. NO.

New York NY 10271  
(City) (State) (Zip Code)

## NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT

Michael Coughlan (212)-433-7163

(Area Code- Telephone Number)

## B. ACCOUNTANT IDENTIFICATION

## INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report\*

Goldstein Golub Kessler LLP

(Name - if individual, state last, first, middle name)

1185 Avenue of the Americas New York NY 10036  
(Address) (City) (State) (Zip Code)

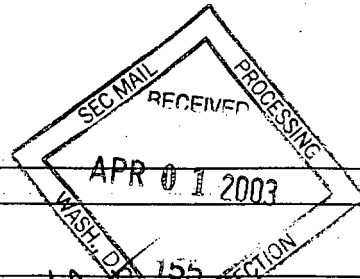
## CHECK ONE:

- ☒ Certified Public Accountant  
☐ Public Accountant  
☐ Accountant not resident in United States or any of its possessions.

FOR OFFICIAL USE ONLY

PROCESSED

MAY 01 2003

THOMSON  
FINANCIAL

\* Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See section 240.17a-5(e)(2).

SEC 1410 (3-91)

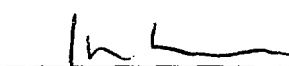
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## OATH OR AFFIRMATION

I, Howard Chalfin swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Rock Capital Partners, LLC, as of December 31, 2002, are true and correct. I further swear (or affirm) that neither the company nor any partner, proprietor, principal officer or director has any proprietary interest in any account classified solely as that of a customer, except as follows: N/A

  
Notary Public

MAYRA FRANCESCHINI  
Notary Public, State of New York  
No. 24-5004679  
Qualified in Richmond County  
and New York County  
Commission Expires 11-23-06

  
President

Signature

Title

This report\*\* contains (check all applicable boxes):

- ☒ (a) Facing Page.
- ☒ (b) Statement of Financial Condition.
- ☐ (c) Statement of Income (Loss).
- ☐ (d) Statement of Changes in Financial Condition.
- ☐ (e) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietor's Capital.
- ☐ (f) Statement of Changes in Liabilities Subordinated to Claims of Creditors.
- ☐ (g) Computation of Net Capital.
- ☐ (h) Computation for Determination of Reserve Requirements Pursuant to Rule 15c3-3.
- ☐ (i) Information Relating to the Possession or control Requirements Under Rule 15c3-3.
- ☐ (j) A Reconciliation, including appropriate explanation, of the Computation of Net Capital Under Rule 15c3-1 and the Computation for Determination of the Reserve Requirements Under Exhibit A of Rule 15c3-3.
- ☐ (k) A Reconciliation between the audited and unaudited Statements of Financial Condition with respect to methods of consolidation.
- ☒ (l) An Oath or Affirmation.
- ☐ (m) A copy of the SIPC Supplemental Report.
- ☐ (n) A report describing any material inadequacies found to exist or found to have existed since the date of the previous audit.

\*\* For conditions of confidential treatment of certain portions of this filing, see section 240.17a-5(e) (3).



**ROCK CAPITAL PARTNERS, LLC**  
**(a limited liability company)**

**STATEMENT OF FINANCIAL CONDITION**

**DECEMBER 31, 2002**

**GOLDSTEIN GOLUB KESSLER LLP**

**Certified Public Accountants and Consultants**

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## GOLDSTEIN GOLUB KESSLER LLP

Certified Public Accountants and Consultants



### INDEPENDENT AUDITOR'S REPORT

To the Members of  
Rock Capital Partners, LLC

We have audited the accompanying statement of financial condition of Rock Capital Partners, LLC (a limited liability company) as of December 31, 2002. This financial statement is the responsibility of the Company's management. Our responsibility is to express an opinion on this financial statement based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the statement of financial condition is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the statement of financial condition. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall statement of financial condition presentation. We believe that our audit of the statement of financial condition provides a reasonable basis for our opinion.

In our opinion, the statement of financial condition referred to above present fairly, in all material respects, the financial position of Rock Capital Partners, LLC as of December 31, 2002, in conformity with accounting principles generally accepted in the United States of America.

*Goldstein Golub Kessler LLP*

**GOLDSTEIN GOLUB KESSLER LLP**

February 24, 2003

**ROCK CAPITAL PARTNERS, LLC**  
(a limited liability company)

**STATEMENT OF FINANCIAL CONDITION**

**December 31, 2002**

**ASSETS**

Cash	\$ 1,244
Securities Owned - at market value	27,792,303
Dividend Receivable	21,841
Other Assets	28,780
<b>Total Assets</b>	<b>\$27,844,168</b>

**LIABILITIES AND MEMBERS' EQUITY**

Liabilities - due to clearing broker	\$ 3,101,259
Securities Sold Short - at fair value	19,804,459
Accrued Expenses	344,647
<b>Total liabilities</b>	<b>23,250,365</b>
Members' Equity	4,593,803
<b>Total Liabilities and Members' Equity</b>	<b>\$27,844,168</b>

See Notes to Statement of Financial Condition

**ROCK CAPITAL PARTNERS, LLC**  
(a limited liability company)

**NOTES TO STATEMENT OF FINANCIAL CONDITION**  
**December 31, 2002**

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- 1. ORGANIZATION:** Rock Capital Partners, LLC (the "Company") is a registered broker and dealer in securities under the Securities Exchange Act of 1934, and trades for its own account. The Company is a member of the Philadelphia Stock Exchange.
- 2. SIGNIFICANT ACCOUNTING POLICIES:** The Company records transactions in securities and the related revenue and expenses on a trade-date basis. Dividend income and dividend expense are recorded on the ex-dividend date.

Securities owned and securities sold short by the Company are valued at their prevailing market prices. Where two substantially similar securities (i.e., convertible into each other, with minimal transaction costs) are held, they are valued at the same price. All resulting unrealized gains and losses are reflected in Members' equity.

In the course of its normal trading activities, the Company is a party to financial instruments that involve, to indeterminable degrees, market risk in excess of that presented in the statement of financial condition. These instruments include domestic and foreign obligations arising from securities sold short.

This financial statement has been prepared in conformity with accounting principles generally accepted in the United States of America which require the use of estimates by management.

The Company maintains its cash in one bank account which, at times, may exceed federally insured limits.

No provision is made in the accompanying statement of financial condition for federal or state income taxes since such liabilities are the responsibility of the individual Members.
- 3. DUE TO CLEARING BROKER:** The clearing and depository operations for the Company's securities transactions are provided by one broker. For financial statement purposes, amounts due to broker have been offset against amounts due from broker for securities sold short and other items. At December 31, 2002, substantially all of the securities owned and the amount due from broker reflected in the statement of financial condition are positions carried by and amounts due from this broker. The securities serve as collateral for the amount due to the broker. Subject to the clearing agreement between the Company and the clearing broker, the clearing broker has the right to sell or repledge this collateral. Additionally, investments in securities and securities sold short are subject to margin requirements.
- 4. REGULATORY REQUIREMENTS:** As a registered broker-dealer, the Company is subject to the Securities and Exchange Commission's Uniform Net Capital Rule 15c3-1, which requires the maintenance of minimum net capital. The Company computes its net capital under the aggregate indebtedness method permitted by rule 15c3-1, which requires that the Company maintain minimum net capital, as defined, of 12.5% of aggregate indebtedness, as defined, or \$100,000, whichever is greater. Additionally, the ratio of aggregate indebtedness to net capital, both as defined,

**ROCK CAPITAL PARTNERS, LLC**  
(a limited liability company)

**NOTES TO STATEMENT OF FINANCIAL CONDITION**  
**December 31, 2002**

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shall not exceed 15 to 1. At December 31, 2002, the Company had net capital, as defined, of \$843,357, which exceeded its minimum net capital requirement of \$100,000 by \$743,357. The Company's ratio of aggregate indebtedness to net capital was .45 to 1 at December 31, 2002.

**5. SUBSEQUENT  
EVENT:**

Subsequent to December 31, 2002, the sole Managing Member effected capital withdrawals of \$399,912.



**ROCK CAPITAL PARTNERS, LLC**  
(a limited liability company)

**INDEPENDENT AUDITOR'S  
SUPPLEMENTARY REPORT ON  
INTERNAL CONTROL**

**DECEMBER 31, 2002**

**GOLDSTEIN GOLUB KESSLER LLP**

Certified Public Accountants and Consultants

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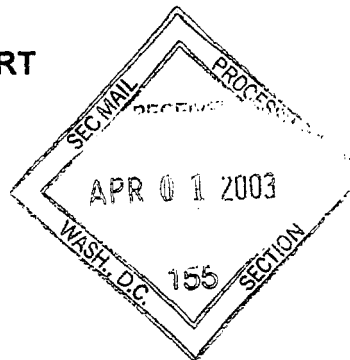


# GOLDSTEIN GOLUB KESSLER LLP

Certified Public Accountants and Consultants



## INDEPENDENT AUDITOR'S SUPPLEMENTARY REPORT ON INTERNAL CONTROL



To the Members of  
Rock Capital Partners, LLC

In planning and performing our audit of the financial statements and the supplemental schedule of Rock Capital Partners, LLC (the "Company") for the period from June 1, 2002 (date operations commenced) to December 31, 2002, we considered its internal control, including control activities for safeguarding securities, in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on internal control.

Also, as required by rule 17a-5(g)(1) of the Securities and Exchange Commission (the "SEC"), we have made a study of the practices and procedures followed by the Company, including tests of such practices and procedures that we considered relevant to the objectives stated in rule 17a-5(g) in making the periodic computations of aggregate indebtedness and net capital under rule 17a-3(a)(11) and the reserve required by rule 15c3-3(e). Because the Company does not carry securities accounts for customers or perform custodial functions relating to customer securities, we did not review the practices and procedures followed by the Company in any of the following:

1. Making quarterly securities examinations, counts, verifications and comparisons, and recording of differences required by rule 17a-13
2. Complying with the requirements for prompt payment for securities under Section 8 of Federal Reserve Regulation T of the Board of Governors of the Federal Reserve System
3. Obtaining and maintaining physical possession or control of all fully paid and excess margin securities of customers as required by rule 15c3-3.

The management of the Company is responsible for establishing and maintaining internal control and the practices and procedures referred to in the preceding paragraph. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of controls and of the practices and procedures referred to in the preceding paragraph and to assess whether those practices and procedures can be expected to achieve the SEC's above-mentioned objectives. Two of the objectives of internal control and the practices and procedures are to provide management with reasonable, but not absolute, assurance that assets for which the Company has responsibility are safeguarded against loss from unauthorized use or disposition and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles. Rule 17a-5(g) lists additional objectives of the practices and procedures listed in the preceding paragraph.



Because of inherent limitations in internal control or the practices and procedures referred to above, error or fraud may occur and not be detected. Also, projection of any evaluation of them to future periods is subject to the risk that they may become inadequate because of changes in conditions or that the effectiveness of their design and operation may deteriorate.

Our consideration of internal control would not necessarily disclose all matters in internal control that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a condition in which the design or operation of the specific internal control components does not reduce to a relatively low level the risk that error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. However, we noted no matters involving internal control, including control activities for safeguarding securities, that we consider to be material weaknesses as defined above.

We understand that practices and procedures that accomplish the objectives referred to in the second paragraph of this report are considered by the SEC to be adequate for its purposes in accordance with the Securities Exchange Act of 1934 and related regulations, and that practices and procedures that do not accomplish such objectives in all material respects indicate a material inadequacy for such purposes. Based on this understanding and on our study, we believe that the Company's practices and procedures were adequate at December 31, 2002 to meet the SEC's objectives.

This report recognizes that it is not practicable in an organization the size of Rock Capital Partners, LLC to achieve all the divisions of duties and cross-checks generally included in a system of internal control and that, alternatively, greater reliance must be placed on surveillance by management.

This report is intended solely for the information and use of the Members, management, the Securities and Exchange Commission, the National Association of Securities Dealers, Inc. and other regulatory agencies that rely on rule 17a-5(g) under the Securities Exchange Act of 1934 in their regulation of registered brokers and dealers, and is not intended to be and should not be used by anyone other than these specified parties.

*Goldstein Golub Kessler LLP*

**GOLDSTEIN GOLUB KESSLER LLP**

February 24, 2003